Part I. Proposed Action Description

1. **Applicant/Contact name and address:**
   
   CH SP ACQUISITION LLC  
   PO BOX 160040  
   BIG SKY, MT 59716-1470

2. **Type of action:** Application to Change Water Right 41H 30148755

3. **Water source name:** Groundwater

4. **Location affected by project:** The Applicant proposes to change the point of diversion, place of use, purpose, and place of storage of Provisional Permits 41H 30004937 and 41H 30011719. The proposed points of diversion are located in the W2NENE, NENENE, NWSWNE, N2N2, NENESW, NWNESW Section 10, T07S R03E, Gallatin County. The proposed place of use is generally located in T07S R03E and T06S R03E, Gallatin and Madison Counties.

5. **Narrative summary of the proposed project, purpose, action to be taken, and benefits:** The Applicant proposes to add two points of diversion (POD), change the place of use (POU), change the purpose of use from multiple domestic, irrigation, and recreation to municipal, and add a place of storage for snowmaking to Provisional Permit 41H 30004937. The proposed municipal purpose includes snowmaking in addition to the originally permitted purposes. The Applicant is also requesting to change Provisional Permit 41H 30011719 to the same municipal purpose, POD, POU, and place of storage as Provisional Permit 41H 30004937. The two existing POD’s for 41H 30011719 will no longer be used. Upon completion of the proposed change, both water rights will share the same POD, POU, purpose, and place of storage. Provisional Permits 41H 30004937 and 41H 30011719 are unperfected and have not been put to the full beneficial use due to ongoing development. The project is located in Gallatin and Madison Counties.

The DNRC shall issue a change authorization if an applicant proves the criteria in 85-2-402 MCA are met.
6. **Agencies consulted during preparation of the Environmental Assessment:**

- Montana Natural Heritage Program – Natural Heritage MapViewer
- Montana Department of Fish, Wildlife and Parks (MT FWP) – Dewatered Streams List (2005)
- Montana Department of Environmental Quality (MT DEQ) – Clean Water Act Information Center Database
- US Fish and Wildlife Service – National Wetlands Inventory
- Natural Resources and Conservation Service – Web Soil Survey
Figure 1: Map of the proposed project.
Part II. Environmental Review

1. Environmental Impact Checklist:

**PHYSICAL ENVIRONMENT**

**WATER QUANTITY, QUALITY AND DISTRIBUTION**

*Water quantity* - Assess whether the source of supply is identified as a chronically or periodically dewatered stream by DFWP. Assess whether the proposed use will worsen the already dewatered condition.

*Determination*: No significant impact.

The source of water is groundwater, which is not listed by DFWP. However, the proposed wells are located adjacent to the South Fork of the West Fork Gallatin River (South Fork) and depletions from pumping the wells will accrue to the South Fork. The South Fork is not listed by DFWP as a periodically dewatered stream. DFWP holds an instream flow Water Reservation 41H 30008927 from the mouth to headwaters on the South Fork with a year-round flow rate of 5 CFS. The Department analyzed physical and legal water availability in the South Fork from a point on the stream adjacent to the proposed wells downstream to the confluence with the West Fork Gallatin River to evaluate adverse effect to existing water rights. The Department determined that water was physically and legally available in timing and amount for the proposed change. As a result, the proposed use will not create a dewatered condition on the South Fork.

*Water quality* - Assess whether the stream is listed as water quality impaired or threatened by DEQ, and whether the proposed project will affect water quality.

*Determination*: No significant impact.

The source of water is groundwater, which is not listed by the Montana Department of Environmental Quality (DEQ) on the Clean Water Act Information Center (CWAIC) website. Adjacent surface water quality is not likely to be affected by the proposed well, as Red Tiger Drilling, a licensed driller (license number WWC-598), has constructed the wells in accordance with the rules of the Board of Water Well Contractors.

The South Fork West Fork Gallatin River is listed by MTDEQ as fully supporting agricultural and drinking water beneficial uses and not fully supporting aquatic life and primary contact recreation beneficial uses. The probable causes for listed impairments are alteration in stream-side or littoral vegetative covers, physical substrate habitat alterations, sedimentation, nitrate/nitrite, phosphorous, and Chlorophyll-a. Road construction, site clearance, silviculture activities, and on-site wastewater treatment systems are listed as the probable sources. The proposed project will not create disturbance to riparian or instream habitats. Water diverted for domestic purposes will be treated by Big Sky Water and Sewer District. The proposed project is unlikely to affect water quality in the South Fork.
**Groundwater** - Assess if the proposed project impacts ground water quality or supply. If this is a groundwater appropriation, assess if it could impact adjacent surface water flows.

*Determination*: No significant impact.

The source of water is groundwater. Groundwater quality is not likely to be affected by the proposed well, as Red Tiger Drilling, a licensed driller (license number WWC-598), has constructed the wells in accordance with the rules of the Board of Water Well Contractors.

The proposed wells are located adjacent to the South Fork West Fork Gallatin River. Depletions from groundwater pumping will accrue to the South Fork. The Department’s physical and legal water availability analyses indicate that water is available for the proposed project and will not adversely affect DFWP’s instream flow Water Reservation 41H 30008927 on the South Fork.

**Diversion Works** - Assess whether the means of diversion, construction and operation of the appropriation works of the proposed project will impact any of the following: channel impacts, flow modifications, barriers, riparian areas, dams, well construction.

*Determination*: No significant impact.

Water will be diverted from 6 wells with pumps and monitored with meters installed by the Applicant. Red Tiger Drilling, a licensed driller (license number WWC-598), has constructed the wells in accordance with the rules of the Board of Water Well Contractors. The diversion works will not create channel impacts, flow modifications, or barriers in nearby surface waters. No significant impacts to existing resources have been identified.

**Unique, Endangered, Fragile or Limited Environmental Resources**

*Endangered and threatened species* - Assess whether the proposed project will impact any threatened or endangered fish, wildlife, plants or aquatic species or any “species of special concern,” or create a barrier to the migration or movement of fish or wildlife. For groundwater, assess whether the proposed project, including impacts on adjacent surface flows, would impact any threatened or endangered species or “species of special concern.”

*Determination*: No significant impact.

The Montana Natural Heritage Program website was used to identify threatened or endangered fish, wildlife, plants, or aquatic species or any Species of Concern within Township 07 South Range 03 East and Township 06 South Range 03 East, queried on May 12, 2022.

*Animal Species of Concern*: Bison, Townsend’s Big-eared Bat, Wolverine, Grizzly Bear, Evening Grosbeak, Cassin’s Finch, Black Rosy-Finch, Clark’s Nutcracker, Pacific Wren, Western Toad, Westslope Cutthroat Trout, Veery, Brown Creeper, Black Rosy Finch

*Plant Species of Concern*: Whitebark Pine, Low Beardtongue, Warnstorfia Moss

As this proposed application is to divert water from wells located on private property, no significant impacts will occur to threatened, endangered, or special concern species. The
pumping of groundwater will not decrease surface water flows to significantly impact any of these species.

**Wetlands** - Consult and assess whether the apparent wetland is a functional wetland (according to COE definitions), and whether the wetland resource would be impacted.

*Determination:* No significant impact.

According to a May 12, 2022, search of the USFWS Wetlands Mapper, no wetlands exist in the vicinity of the proposed points of diversion.

**Ponds** - For ponds, consult and assess whether existing wildlife, waterfowl, or fisheries resources would be impacted.

*Determination:* No significant impact.

The Applicant proposes to supply water for three recreational ponds on a golf course and one snowmaking reservoir. The proposed ponds are lined and considered fully consumptive, as no water is returned to the source. The proposed golf course ponds are located in a highly modified habitat (golf course) and will provide marginal wildlife or waterfowl habitat. The snowmaking pond is located at the summit of Andesite Mountain in a sub-alpine environment and is unlikely to provide beneficial wildlife habitat. None of the proposed ponds are hydraulically connected to surface water and are unlikely to impact fisheries resources.

**Geology/Soil Quality, Stability and Moisture** - Assess whether there will be degradation of soil quality, alteration of soil stability, or moisture content. Assess whether the soils are heavy in salts that could cause saline seep.

*Determination:* No significant impact.

Red Tiger Drilling, a licensed driller (license number WWC-598), has constructed the wells in accordance with the rules of the Board of Water Well Contractors and a minor, temporary disturbance to the soil will occur with the proposed project. Turf grass irrigation of a golf course and lawn and garden irrigation are proposed. Irrigation will occur in developed, rural neighborhoods and no degradation of soil quality, moisture content, or creation of saline seeps are expected from the proposed project. No long term impacts to soil quality or stability are expected from the proposed project.

**Vegetation Cover, Quantity and Quality/Noxious Weeds** - Assess impacts to existing vegetative cover. Assess whether the proposed project would result in the establishment or spread of noxious weeds.

*Determination:* No significant impact.

The wells have been constructed by Red Tiger Drilling, a licensed driller (license number WWC-598), in accordance with the rules of the Board of Water Well Contractors, so there should not be significant impacts on nearby streambanks and vegetative cover. A small area was disturbed by drilling the wells, but this should have no significant impact on the surrounding area’s vegetative
cover and should not allow the establishment of noxious weeds. Under Montana law, owners are responsible for noxious weed control on their property.

**AIR QUALITY** - Assess whether there will be a deterioration of air quality or adverse effects on vegetation due to increased air pollutants.

*Determination:* No significant impact.

No deterioration of air quality will result from the drilling of these wells or diversion of water from them.

**HISTORICAL AND ARCHEOLOGICAL SITES** - Assess whether there will be degradation of unique archeological or historical sites in the vicinity of the proposed project if it is on State or Federal Lands. If it is not on State or Federal Lands simply state NA-project not located on State or Federal Lands.

*Determination:* Not applicable.

The project is not located on State or Federal Lands. The Applicant made no mention of significant historical or archeological sites on the property.

**DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AND ENERGY** - Assess any other impacts on environmental resources of land, water and energy not already addressed.

*Determination:* No impact.

No other demands on environmental resources of land, water, and energy are anticipated.

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**HUMAN ENVIRONMENT**

**LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS** - Assess whether the proposed project is inconsistent with any locally adopted environmental plans and goals.

*Determination:* No significant impact.

Drilling wells for municipal use to supply domestic, lawn and garden irrigation, recreation, and snowmaking purposes is a locally accepted practice within the state of Montana and Gallatin and Madison Counties.

**ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES** - Assess whether the proposed project will impact access to or the quality of recreational and wilderness activities.

*Determination:* No significant impact.
Significant recreational and wilderness activities exist in the area, but the proposed project is located on private property in a rural area and will not impact access to or the quality of recreational and wilderness activities.

**HUMAN HEALTH** - Assess whether the proposed project impacts on human health.

*Determination*: No significant impact.

The proposed points of diversion have been constructed in compliance with MT DEQ’s requirements for a public water supply system. The Applicant included correspondence with DEQ in the Application Materials regarding the approval of the water supply plan and system for the proposed wells.

**PRIVATE PROPERTY** - Assess whether there are any government regulatory impacts on private property rights.

*Yes_ ___ No  _X___* If yes, analyze any alternatives considered that could reduce, minimize, or eliminate the regulation of private property rights.

*Determination*: The project does not impact government regulations on private property rights.

**OTHER HUMAN ENVIRONMENTAL ISSUES** - For routine actions of limited environmental impact, the following may be addressed in a checklist fashion.

*Impacts on:*

(a) **Cultural uniqueness and diversity**? No significant impacts identified.

(b) **Local and state tax base and tax revenues**? No significant impacts identified.

(c) **Existing land uses**? No significant impacts identified.

(d) **Quantity and distribution of employment**? No significant impacts identified.

(e) **Distribution and density of population and housing**? No significant impacts identified.

(f) **Demands for government services**? No significant impacts identified.

(g) **Industrial and commercial activity**? No significant impacts identified.

(h) **Utilities**? No significant impacts identified.

(i) **Transportation**? No significant impacts identified.

(j) **Safety**? No significant impacts identified.

(k) **Other appropriate social and economic circumstances**? No significant impacts identified.
2. *Secondary and cumulative impacts on the physical environment and human population:*

  **Secondary Impacts:** No secondary impacts identified.

  **Cumulative Impacts:** No cumulative impacts identified.

3. *Describe any mitigation/stipulation measures:*

   The Applicant has proposed measuring water use with flow meters installed on the proposed wells. A measurement condition applies to the existing Provisional Permits 41H 30004937 and 41H 30011719 proposed for change and has been incorporated into the analysis of Change Application 41H 30148755.

4. *Description and analysis of reasonable alternatives to the proposed action, including the no action alternative, if an alternative is reasonably available and prudent to consider:*

   The no action alternative is to not allow the Applicant to change Provisional Permits 41H 30004937 and 41H 30011719. Provisional Permits 41H 30004937 and 41H 30011719 were issued on August 20, 2004 and May 11, 2005, respectively, are unperfected, and the Applicant is allowed to divert up to a total of 574 AF. The proposed change is intended to allow the Applicant to perfect the entire authorized volume. Therefore, the no action alternative would limit the ability for the Applicant to fully utilize these water rights.

   An alternative to the proposed action is to not develop a centralized municipal water supply system. This alternative would require individual homeowners and businesses to develop sources of water for future growth. A common source of water for rural homeowners not connected to municipal water supplies are small groundwater developments that do not require water measurement, or the criteria analysis used by the Department for permit or change applications.
PART III. Conclusion

1. **Preferred Alternative:** The preferred alternative is to grant the proposed Change Application. This will allow the Applicant to perfect the volume authorized for Provisional Permits 41H 30004937 and 41H 30011719 and supply water for the proposed municipal water supply system.

2. **Comments and Responses:** None at this time.

4. **Finding:**

   Yes___ No X___ Based on the significance criteria evaluated in this EA, is an EIS required?

   If an EIS is not required, explain why the EA is the appropriate level of analysis for this proposed action: No significant environmental impacts were identified, therefore no EIS is required.

   **Name of person(s) responsible for preparation of EA:**

   *Name:* Jack Landers  
   *Title:* Hydrologist/Water Resource Specialist  
   *Date:* May 12, 2022